



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Doctors Hospital at Renaissance

Respondent Name

Texas Mutual Insurance Co

MFDR Tracking Number

M4-17-2654-01

Carrier's Austin Representative

Box Number 54

MFDR Date Received

May 9, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "According to TWCC guidelines, Rule §134.403 states that the reimbursement calculation used for establishing the MAR shall be by applying the Medicare facility specific amount. After reviewing the account we have concluded that reimbursement received was inaccurate."

Amount in Dispute: \$965.68

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "payment issued is based on the OPPS APC adjusted payment rate multiplied by the payment adjustment factor 2.0 for labor wage index code for the facility which is 0.7989. It is Texas Mutual's position that no additional payment is due."

Respondent's Submitted By: Texas Mutual Insurance Co

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
November 14 – 27, 2016	Outpatient Hospital Services	\$965.68	\$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

- 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
- 28 Texas Administrative Code §134.403 sets out the reimbursement guidelines for outpatient hospital services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - P12 – Workers' compensation jurisdictional fee schedule adjustment
 - 236 – This billing code is not compatible with another billing code provided on the same day

- according to NCCI or workers compensation state regulations/fee schedule requirements
- 370 – this hospital outpatient allowance was calculated according to the APC rate, plus a markup
- 435 – Per NCCI edits the value of this procedure is included in the value of the comprehensive procedure
- 618 – The value of this procedure is packaged into the payment of other services performed on the same date of service
- 767 – Paid per O/P FG at 200% implants not applicable or separate reimbursement (with cert) not requested per Rule 134.403(G)
- W3 – In accordance with TDI-DWC Rule 134.804, this bill has been identified as a request for reconsideration or appeal
- 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly
- 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated
- 350 – In accordance with TDI-DWC Rule 134.804, this bill has been identified as a request for reconsideration or appeal
- 616 – This code has a status Q APC indicator and is packaged into other APC codes that have been identified by CMS
- 724 – No additional payment after a reconsideration of services

Issues

1. What is the Medicare payment rule?
2. What is the applicable rule that pertains to reimbursement?
3. Is the requestor entitled to additional reimbursement?

Findings

1. The requestor is seeking \$965.68 for outpatient hospital services provided November 14 – 27, 2016.

The respondent states in their position statement, “It is Texas Mutual’s position that no additional payment is due.”

The requestor states in pertinent part, “After reviewing the account we have concluded that reimbursement received was inaccurate.”

Therefore, the services in dispute will be reviewed per applicable Rules and Fee Guidelines discussed below.

2. The relevant portions of 28 Texas Administrative Code 134.403 are:

(b) Definitions for words and terms, when used in this section, shall have the following meanings, unless clearly indicated otherwise

(3) "Medicare payment policy" means reimbursement methodologies, models, and values or weights including its coding, billing, and reporting payment policies as set forth in the Centers for Medicare and Medicaid Services (CMS) payment policies specific to Medicare.

(d) For coding, billing, reporting, and reimbursement of health care covered in this section, Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided with any additions or exceptions specified in this section, including the following paragraphs.

(f) The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register. The following minimal modifications shall be applied.

(1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:

(A) 200 percent; unless

(B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent

The facility specific reimbursement amount is calculated as follows:

Payment rate found at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Addendum-A-and-Addendum-B-Updates.html>

Procedure Code	APC	Status Indicator	Payment Rate	60% labor related	2017 Wage Index Adjustment for provider 0.8026 Date of service after new fiscal year 2017	40% non-labor related	Payment rate x 200% =
27720	5123	J1	\$4,969.26	\$4,969.26 x 60% = \$2,981.56	\$2,981.56 x 0.8026 = \$2,393.00	\$4,969.26 x 40% = \$1,987.70	\$2,393.00 + \$1,987.70 = \$4,380.70 x 200% = \$8,761.40
						Total	\$8,761.40

The Medicare Claims Processing Manual 100-04, Chapter 4, <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c04.pdf> defines the following:

- **How Payment Rates Are Set**, found at www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/HospitalOutpaysysfctshsht.pdf,
 - *To account for geographic differences in input prices, the labor portion of the national unadjusted payment rate (60 percent) is further adjusted by the hospital wage index for the area where payment is being made. The remaining 40 percent is not adjusted.*
- **Comprehensive APCs** - Comprehensive APCs provide a single payment for a primary service, and payment for all adjunctive services reported on the same claim is packaged into payment for the primary service. With few exceptions, all other services reported on a hospital outpatient claim in combination with the primary service are considered to be related to the delivery of the primary service and packaged into the single payment for the primary service.

Review of the applicable Medicare Payment Policy finds Procedure Code 25609 has status indicator J1, which has the following definition:

- (1) *Comprehensive APC payment based on OPPS comprehensive-specific payment criteria. Payment for all covered Part B services on the claim is packaged into a single payment for specific combinations of services, except services with OPPS SI=F, G, H, L and U; ambulance services; diagnostic and screening mammography; all preventive services; and certain Part B inpatient services.*

The Division finds the Medicare payment policy shown above packages all services on the claim. The maximum allowable reimbursement shown above was calculated based on the applicable payment rate for APC 5123 and specifications of 28 Texas Administrative Code 134.403 (f) (1) (A) as separate reimbursement for implants was not requested.

The remaining codes in dispute listed on the DWC060 have the following status indicators:

- Procedure code 96361, date of service November 26, 2016, has a status indicator of “S.” As shown above, payment is packaged into the payment for the J1 comprehensive APC payment. Separate payment is not allowed.
 - Procedure code 96365, date of service November 26, 2016, has a status indicator of “S.” As shown above, payment is packaged into the payment for the J1 comprehensive APC payment. Separate payment is not allowed.
 - Procedure code 96365, date of service November 26, 2016, has a status indicator of “S.” As shown above, payment is packaged into the payment for the J1 comprehensive APC payment. Separate payment is not allowed.
 - Procedure code 96366, date of service November 26, 2016, has a status indicator of “S.” As shown above, payment is packaged into the payment for the J1 comprehensive APC payment. Separate payment is not allowed.
 - Procedure code 88300, date of service November 26, 2016, has status indicator “Q1.” This service does not have a status indicator that is exempt from the comprehensive packaging and therefore no separate payment is allowed.
 - Procedure code 73590, date of service November 26, 2016, has status indicator “Q1.” This service does not have a status indicator that is exempt from the comprehensive packaging and therefore no separate payment is allowed.
 - Procedure code 71020, date of service November 14, 2016, has status indicator Q3. This service does not have a status indicator that is exempt from the comprehensive packaging and therefore no separate payment is allowed.
 - Procedure code 27720, date of service November 26, 2016 has a status indicator of “J1.” The maximum allowable reimbursement is calculated in the table above. The total reimbursement is \$8,761.40
 - Procedure code 94640, date of service November 26, 2016, has status indicator “Q1.” This service does not have a status indicator that is exempt from the comprehensive packaging and therefore no separate payment is allowed.
 - Procedure code 94664, date of service November 26, 2016, has status indicator “Q1.” This service does not have a status indicator that is exempt from the comprehensive packaging and therefore no separate payment is allowed.
 - Procedure code 93005, date of service November 14, 2016, has status indicator “Q1.” This service does not have a status indicator that is exempt from the comprehensive packaging and therefore no separate payment is allowed.
 - Procedure code 51798, date of service November 26, 2016, has status indicator “Q1.” This service does not have a status indicator that is exempt from the comprehensive packaging and therefore no separate payment is allowed.
3. The total recommended reimbursement for the disputed services is \$8,761.40. The insurance carrier has paid \$9,930.50 leaving an amount due to the requestor of \$0.00. Additional payment is not recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

Authorized Signature

_____	_____	June 2, 2017
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.